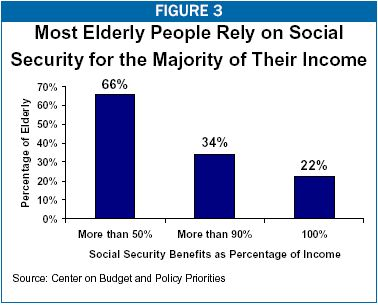
Social Security Station

**Social Security: a simple concept**

(From <http://www.ssa.gov/pubs/10024.html#facts>)

Social Security reaches almost every family, and at some point will touch the lives of nearly all Americans. Social Security helps not only older Americans, but also workers who become disabled and families in which a spouse or parent dies. Today, about 155 million people work and pay Social Security taxes and about 54 million people receive monthly Social Security benefits.

Most of our beneficiaries are retirees and their families—about 36 million people. But Social Security was never meant to be the only source of income for people when they retire. Social Security replaces about 40 percent of an average wage earner’s income after retiring, and most financial advisors say retirees will need 70 percent or more of pre-retirement earnings to live comfortably. To have a comfortable retirement, Americans need much more than just Social Security. They also need private pensions, savings and investments.

**1. What kind of people receive Social Security benefits?**

**2. How many people depend on Social Security to survive? Was this the way that the program was designed?**

Social Security Empty by 2037

By Michael Bartlett  
(from <http://www.collegenews.com/index.php?/money/cbo_social_security_11566/>)

A new report from the Congressional Budget Office (CBO) estimates that Social Security will run deficits[[1]](#footnote-1) until it completely runs dry by 2037. Last year was the first year the public assistance program ran a deficit after continuous surpluses that were redirected to other spending projects.

The [Associated Press](http://www.msnbc.msn.com/id/41293592/ns/politics-more_politics/" \t "_blank) reports that Social Security is expected to collect $45 billion less in payroll taxes this year due to a lagging economy. The picture gets bleaker if Congress does not find a way to repay lost revenue—totaling $130 billion—from the payroll tax cut given this year.

Social Security in the long term does not get any brighter thanks to Baby Boomers who are set to retire. In the [State if the Union](http://www.collegenews.com/index.php?/article/obama_state_of_the_union_2011_video_11543/" \t "_blank) address Tuesday, President Obama called for a bipartisan solution to Social Security but ruled out privatization and slashing benefits. Likewise, Paul Ryan (R-WI), in the Republican Response, stated seniors were off limits.

**3. What is a deficit? Why is this causing a problem with Social Security?**

**4. Looking to the future, what is the problem with Social Security? What are some ways that we can avoid / fix this problem?**



1. “deficit” is a budgeting term for when the money spent is greater than the money taken in. e.g. If you get a $100/week pay check but you spend $150/week, you have a $50 deficit. [↑](#footnote-ref-1)